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Executive Registry

80-10923

23 SEP 1980

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Harry E. Fitzwater
Director of Personnel Policy, Planning,
and Management

SUBJECT: SIS Rank Stipend and Performance Award
Procedures

1. Action Requested: Your approval is requested for procedures implementing the Senior Intelligence Service (SIS) rank stipends and performance award program.

2. Background: This proposed program implements Sub-System 5 of the SIS Plan as approved by the DDCI, 27 September 1979. It reflects decisions made at the Executive Committee meetings of 18 June 1980, confirmed in our memorandum of 15 July 1980 (Attachment I), and 17 September 1980. Attachment II provides implementation procedures, including a proposed form for processing recommendations (Attachment III), and examples of how the system would work (Attachment IV). The system is consistent with Congressional and Office of Personnel Management (OPM) constraints and guidance (Attachment V) on the number, distribution and amount of rank stipends and performance awards which may be granted. The principal features are outlined as follows:

a. All SIS members are eligible and will be considered for stipends and performance awards.

b. Current year performance, based on the Advance Work Plan (AWP) and evaluated in the Performance Appraisal Report (PAR), will be the basis for award consideration. An overall PAR rating of six or higher will be required for either stipend or award consideration.

c. Allocations based on SIS on-duty strength will be given to the Directorates and ODCI reflecting the maximum number of SIS-1 - 4 officers who may be recommended for stipends or awards. Allocation guidance on the number and distribution of stipends and awards to be recommended will be based on 20 percent of SIS officer strength. An additional five percent should be ranked (but not necessarily recommended) to provide for unforeseen additional allocation of awards.

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Based on current Congressional and OPM constraints, rank stipends may be granted to not more than three percent of SIS officers, and performance awards to not more than 20 percent.

d. A separate awards allocation, in addition to the allocation for careerists, will be given to each Directorate and the ODCI for assigned SIS officers from outside the host career service.

e. In addition to allocations, the DCI/DDCI will maintain a reserve which will be used to recognize organizational accomplishment and to resolve special stipend and award cases.

f. The current supervisor is responsible for initiating the stipend/award action sheet on each SIS officer at the time the PAR is prepared.

g. Paperwork required will be limited to the current AWP, PAR and the stipend/award action sheet. A memorandum will accompany stipend recommendations with any additional justifying information not covered in the current PAR.

h. Senior Resource Boards (SRB) in each Directorate and the Office of the DCI, consisting of at least three officers senior to those being considered, will review and prioritize stipend and award recommendations. In the case of ODCI, one SRB will consider all recommendations on SIS-1 - 4 officers serving in the various independent offices. Due to the limited number of SIS-5s and 6s, one member of all SRBs considering SIS-4s will be appointed by the DCI/DDCI from outside the Directorate or ODCI.

i. Significant dates for the current year are:

30 September - End of SIS PAR period.

31 October - PARs due in OPPPM.

14 November - Recommendations due in OPPPM.

5 December - Recommendations to DDCI with OPPPM procedural review comments.

Late December or Early January - DCI/DDCI notification of Rank Stipend and Award recipients, with appropriate ceremony within cover considerations for Stipend recipients.

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25X1 3. The DCI/DDCI will exercise final approval authority for all SIS awards, based on recommendations from the Directorates and independent offices. The DCI/DDCI, rather than the Chairman, "E" Career Service, will make relevant award decisions for "E" Career Service SIS members. [redacted]

25X1 4. Recommendation: It is recommended that the SIS Rank Stipend and Performance Award procedures outlined in this memorandum and spelled out in detail in the attachments be approved. [redacted]

25X1 [redacted]

Harry E. Fitzwater

Attachments:

- I. Memorandum of 15 July 1980
- II. Implementation Procedures
- III. Processing Recommendations Form
- IV. Examples of System
- V. Constraints and Guidance

25X1 APPROVED [redacted]

Deputy Director of Central Intelligence

29 SEP 1980

Date

Distribution:

- Orig - Return to D/PPPM
- 1 - DDCI
- 1 - DCI
- 1 - ER
- 1 - D/PPPM
- 1 - C/SIS/SS

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

D/PPPM
5E58, Hqtrs.

EXTENSION

NO.

PERS 8-3308

DATE

20 SEP 80

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DDCI
7E12, Hqtrs.

Since,

Attached for ~~your~~ approval are revised versions of our memorandum of 9 September 1980 and Sub-System 5B, Rank Stipends and Performance Awards Program. The revised versions reflect decisions made at the 17 September 1980 meeting of the Executive Committee. Changes were made to the following portions:

Memorandum, 9 September

-- Page 1, Para. 2 - Revised statement notes that this memorandum reflects decisions made at the 17 September Executive Committee meeting.

-- Page 2, Para. 2h - Statement added re the use of one SRB within ODCI to consider all SIS-1 - 4 recommendations.

The word "all" inserted in last sentence to show that all SRBs considering SIS-4s will have one member, appointed by the DCI/DDCI, from outside the directorate or ODCI.

-- Page 2, Para. 2i - Schedule changed to reflect:

14 November vice 21 November due date for recommendations in OPPPM.

5 December vice 15 December for OPPPM forwarding recommendations to DDCI.

Sub-System 5B

-- Page 3, Para. V. - Change made to second sentence to emphasize that allocation refers to recommendations.

(Cont'd on reverse)

-- Page 6, Para. 4d - Sentence added to note that ODCI will use one SRB to consider all ODCI SIS-1 - 4 officers. ODCI's SRB will forward recommendations to D/PPPM for procedural review.

-- Page 7, Para. B2 - Change made to second sentence to emphasize all SRBs considering SIS-4s will have one member from outside the directorate.

-- Page 9, Para. VIII.C. - Reflects change in schedule to 14 November vice 21 November.

-- Page 10, Para. VIII.D. - Reflects change in schedule to 5 December vice 15 December.

STAT



Harry E. Fitzwater

Attachments

80-1090

15 JUL 1980

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Director of Personnel Policy, Planning,
and Management

SUBJECT: Executive Committee Decisions on SIS Rank
Stipend and Performance Award Procedures

At the Executive Committee meeting on 18 June 1980, the Office of Personnel Policy, Planning, and Management Issues Paper on the SIS Award Program was discussed and a number of decisions reached. These decisions were summarized in Mr. Puritano's minutes of the meeting and are spelled out here for your review and formal approval:

1. Boards and panels will be required to make recommendations for awards and stipends.
2. Awards will be allocated on the basis of a combination of individual performance and organization evaluation.
3. Awards will be allocated to the Directorate Deputy Directors and the DCI Area based on 50 percent of the total on-duty strength for SIS-1, 2, 3 and 4, with a DCI/DDCI reserve also established.
4. The DCI/DDCI will exercise final approval authority for all SIS awards, based on recommendations from the Directorates and independent offices. The DCI/DDCI, rather than the Chairman, "E" Career Service, will make relevant award decisions for "E" Career Service SIS members.
5. The current rating officer is responsible for initiating awards action on SIS officers transferred during the rating period.
6. Directorates and offices with SIS officers assigned from other career services will be provided a separate award allocation for these non-careerists. Directorate on-duty SIS strength figures will be adjusted appropriately. Any unused portion of this separate allocation will revert to the DCI/DDCI reserve.

7. Award recommendations for officers of one career service serving in another Directorate will be initiated by the current supervisor and considered in the host Directorate chain of command.

8. Full award consideration will be given to SIS officers on developmental assignment or on detail outside the Agency, and to those promoted to SIS during the reporting period or retiring during the reporting period.

9. Recipients of rank stipends will not receive performance awards. SIS members who are nominated for stipends but not selected will be granted Class A performance awards.

10. The paperwork required to process recommendations will be limited to the Advance Work Plan, the Performance Appraisal Report, and the SIS rank stipend and performance award recommendation form, plus a memorandum for rank stipend recommendations.

11. Publicity will be provided on the awards program procedures, but the names of award and stipend recipients will not be published.

12. The DCI/DDCI will present all performance awards by letter.

Harry E. Fitzwater

Harry E. Fitzwater

APPROVED:

/s/ Frank C. Carlucci

17 JUL 1980

Deputy Director of Central Intelligence

Date

Distribution:

Orig - Return to D/PPPM

1 - DDCI

1 - DCI

1 - ER

2 - D/PPPM

/2 - C/SIS/SS

OPPP/C/SIS/SS/AMiley:pal(11Jul80)

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SUB-SYSTEM 5B

RANK STIPENDS AND PERFORMANCE AWARDS PROGRAM

I. Sub-system Content

This plan outlines the management structure of the SIS Rank Stipend and Performance Award program and provides procedures for the recommendation, review, and approval process of the program.

II. Eligibility

All members of the SIS are eligible and will be considered for Rank Stipend and Performance Awards. This includes officers on inter/intradirectorate developmental assignment, training assignment, internal or external detail, sabbatical, leave without pay, military leave, and those who retire or are promoted or appointed to the SIS during the rating period.

III. Criteria

A. Rank Stipends and Performance Awards are granted in recognition of excellence in the performance of duty. The standard for evaluation of performance is the individual's current Performance Appraisal Report. Consideration for Rank Stipends will also take into account cumulative accomplishments.

B. Each eligible individual will be considered without adverse regard for race, color, sex, religion, age, national origin, political affiliation, marital status, physical impairment or any other non-relevant factors.

C. An overall PAR rating of 6 or better, and a rating of no less than 5 on each individual duty, is required for consideration for a Performance Award. The requirement for an overall

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rating of 6 is a change from the previous requirement of an overall 5 and was made in view of expressed Congressional concern that awards be given only for exceptional performance.

D. An overall PAR rating of 6 or better, and a rating of no less than 6 on each individual duty, is required for consideration for a Meritorious Officer Rank Stipend.

E. An overall PAR rating of 7, ratings of 7 on most individual duties, and a rating of no less than 6 on each individual duty is required for consideration for a Distinguished Officer Rank Stipend.

IV. Constraints

CIA will follow Congressional and Office of Personnel Management (OPM) guidance on the numbers and amounts of awards. These constraints currently are as follows:

A. Combined basic salary and stipend or award may not exceed \$69,630.

B. An SIS officer awarded either a Distinguished or Meritorious Officer Rank Stipend shall not be eligible to receive that same rank during the following four fiscal years.

C. No officer will be granted both a Rank Stipend and a Performance Award in the same year.

D. Distinguished Officer Stipends (\$20,000) will be granted to no more than one-half of one percent of SIS officers.

E. Meritorious Officer Stipends (\$10,000) will be granted to no more than 2-1/2 percent of SIS officers.

F. Performance Awards will be granted to no more than 20 percent of SIS officers.

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G. The amounts and distribution of Performance Awards will be limited as follows:

- | | |
|---|---------------------------------------|
| 1. 20% of payable salary - not more than 5%) |) of SIS officers
receiving awards |
| 2. 18% of payable salary - not more than 5%) | |
| 3. 15% of payable salary - not more than 15%) | |
| 4. 11% of payable salary - not more than 30%) | |
| 5. 7% of payable salary - not more than 45%) | |
| | <u>100%</u> |

V. Allocation

A. The DCI/DDCI annually will allocate to the Directorates and independent office heads the maximum number of Rank Stipends and Performance Awards recommendations which may be submitted. Directorates and independent offices, of course, are not required to use their full recommendation allocation. Recommendation should be made only when there is clear demonstration that SIS performance levels merit it. The DCI/DDCI will also establish a reserve which will be used to recognize organizational accomplishment and resolve special stipend and award cases.

B. The number of recommendations submitted should conform to the number and distribution of the allocation. An additional five percent of those considered should also be ranked at the end of the prioritized list, provided they meet standards for consideration. This data would be useful should unforeseen additional allocation become available, or in requesting special stipend and award consideration.

C. Allocation to the directorates and independent offices will be based on SIS careerist on-duty strength on a pro rata basis. Deputy directors (and independent office heads) also will receive a supplemental allocation covering assigned non-career

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service SIS members. Any unused portion of this supplemental allocation will revert to the DCI reserve, and will not be available for the direct use of the host directorate.

D. Although specifically exempted from the provisions of the Civil Service Reform Act of 1978 (CSRA), the DCI adopted its underlying principles and concepts in creating the SIS. A determination was made to conform to the CSRA limitations on stipends and awards to the extent possible, and to follow Congressional intent in distributing stipends and awards. The restrictions limiting Rank Stipends and Performance Awards, provided for in the original Act, have already been changed by legislative amendment and further amendments can be anticipated. The DCI will give due consideration to the CSRA, Congressional intent, and the OPM guidance in preparing the annual Agency allocation.

VI. Compensation

A. Rank Stipends and Performance Awards will be given as lump sum cash payments. Stipends and awards are not subject to retirement fund contributions nor will they be included in the "high-three" average pay computation for retirement benefits.

B. The rank of Distinguished Officer carries an entitlement to a lump sum payment of \$20,000 (subject to the \$69,630 limit).

C. The rank of Meritorious Officer carries an entitlement to a lump sum payment of \$10,000.

D. As noted in Section IV, Performance Awards will range from 7% of basic pay to 20% of basic pay and shall be lump sum cash payments.

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VII. Recommendation and Approval Procedures

A. SIS-1 - 3

1. Supervisor

- a. Prepares a PAR based on the Advance Work Plan (AWP).
- b. Completes the Rating Officer portion of the SIS Rank Stipend and Performance Award Recommendation Form.
- c. Prioritizes recommendations if more than one, and notes stipend or award percentage recommended.
- d. Forwards the PAR, AWP and Recommendation Form to the responsible Reviewing Officer.

2. Reviewing Officer

- a. Reviews PAR(s) and stipend and award recommendation(s).
- b. States concurrence or non-concurrence with supervisor's recommendation(s), prioritization, and recommended stipend or award percentage. Notes reason for non-concurrence.
- c. May recommend change to prioritization and/or stipend or award. Notes reason for changes.
- d. Forwards package to next senior level.

3. Senior Operating Official

- a. Reviews all Stipend and Performance Awards originated in the component.
- b. States concurrence or non-concurrence with Rating Officer and Reviewing Officer recommendations. Notes reason for non-concurrence.
- c. May recommend changes to prioritization and/or stipend and award. Notes reason for changes.

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d. Prepares a prioritized listing of component SIS personnel recommended for stipends and awards and forwards to the Directorate or ODCI Senior Resource Board.

4. Senior Resource Board (SRB)

a. Conducts the performance review of all SIS-1 - 3 officers recommended for Rank Stipends or Performance Awards.

b. Comprised of three or more SIS officers who are at least one grade senior to those being considered for stipends and awards.

c. Ensures formal recommendations are prepared for Distinguished and Meritorious Rank Stipends. SIS officers who are recommended for, but do not receive, a Rank Stipend will automatically be considered for the highest Performance Award (20%).

d. Prepares a combined prioritized list of SIS members recommended for Rank Stipends and Performance Awards, and forwards to Directorate Deputy Director. In the case of the ODCI, one SRB will consider recommendations on SIS-1 - 4 officers assigned to the various independent offices. ODCI's SRB recommendations will be forwarded to D/PPPM for procedural review.

5. Directorate Deputy Director

a. Reviews all Rank Stipend and Performance Award recommendations.

b. States concurrence or non-concurrence and may make changes as appropriate.

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c. Forwards to D/PPPM the final prioritized list of Stipend and Awards recommendations, ensuring conformance with the number of Stipends and Awards allocated to the Directorate Career Service.

6. D/PPPM

a. Reviews recommendations to ensure they comply with DCI/DDCI approved policy, criteria, and procedural guidelines.

b. Forwards recommendations to DCI/DDCI noting significant departures from policy, allocation overruns, etc., if appropriate.

7. DCI/DDCI

a. Reviews Directorates and ODCI SIS-1 - 3 Stipend and Award recommendations.

b. Considers special requests for stipend and award consideration arising from extraordinary circumstances.

c. Exercises final approval authority.

B. SIS-4s

1. The PAR rating officer will initiate, if appropriate, recommendations for stipends and awards.

2. Recommendations for SIS-4s will be reviewed within the Directorate/Career Service by an SRB comprised of three or more SIS-5 or 6 level officers. Due to the small number of SIS-5s and 6s, one member of all SRBs considering SIS-4s will be from outside the directorate. The outside member will be appointed by the DCI/DDCI.

3. The SRB will forward a combined prioritized list of stipend and award recommendations to the D/PPPM for procedural review.

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4. The D/PPPM will review the SRB's recommendations and forward to the DCI/DDCI for review and approval.

C. SIS-5s

Recommendations for stipends and awards will be prepared by SIS-6 level officers and forwarded to the DCI/DDCI for review and approval.

D. SIS-6s

Recommendation and approval action will be the responsibility of the DCI/DDCI.

E. Recommendation Procedures for SIS Officers Transferred During the Rating Period

1. The current supervisor will either prepare or ensure the preparation of a PAR and a Rank Stipend and Performance Award Recommendation form.

2. The supervisor of record for the longest period of time during the rating period will normally prepare the PAR and Recommendation form. Coordination will be effected between the gaining and losing supervisor to ensure proper consideration is given the transferred SIS officer.

F. SIS Officers Serving Outside Their Parent Directorate

1. The host directorates will receive a supplemental allocation of Performance Awards covering assigned non-career service SIS officers. Recommendation procedures and responsibility will be identical to those for careerists. However, appropriate coordination will be conducted by the host directorate with the parent career service to ensure all relevant data is available when considering recommendations. Any unused portion of the supplemental allocation will be assigned to the DCI/DDCI

reserve and will not be available for the direct use of the host directorate. Example: A directorate receives a Performance Award allocation for three non-career service SIS officers. Should only one recommendation be made against this allocation, the remaining two would be placed in the DCI/DDCI reserve.

G. SIS Officers in Other Categories

SIS officers in the categories listed below or in similar categories will be considered for stipends and awards, if appropriate, by their parent directorate or independent office:

Sabbatical

Retirement

LWOP

Serving Outside the Agency

Military Leave

Extended Sick Leave

VIII. Schedule

A. 1 October - 30 September

This is the PAR rating period for all SIS members.

B. 31 October - PARs due in OPPPM.

Directorates and independent offices may require a copy of the PAR earlier than this due date to provide more time for stipend and award consideration.

C. 14 November - Rank Stipend and Performance Award recommendations, with appropriate panel and managerial endorsements, due in OPPPM.

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D. 5 December - Recommendations, with OPPPM procedural comments, submitted to DCI/DDCI.

E. Late December or Early January - The DCI/DDCI will notify Stipend and Award recipients. A lump sum cash payment for a Stipend or Award shall be paid to the SIS member in the last pay period in the same calendar year or, at the election of the SIS member recipient, in the first pay period of the calendar year following DCI/DDCI approval.

IX. Presentation of Stipends and Awards

A. No publicity will attend the presentation of Performance Awards.

B. Rank Stipends will, within cover considerations, be presented with appropriate ceremony.

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Officer's Name & SIS Grade

Organization of Assignment

Overall PAR		Base Salary			Position Title		Career Service
Signature Required	Date	Stipend/Award Ranking (e.g., 2 of 5)	None	Award Percentage Recommended	Rank Stipend Recommended	Merit Dist.	Comments
Rating Officer							
Reviewing Officer							
Senior Operating Official							
Senior Resource Board							
Sup. Dir./Chmn, E Service							
D/PPPM (Review Only)							
Other							
DCI/DDCI							
Approve							
Disapprove							

OR OPPPM USE:

to Received in OPPPM

Rank Stipend Received

Type

\$

Amount

Rank Stipend/Performance Award Received

\$

Amount

Date Paid

Total Compensation \$

STAT

DDO

Organization of Assignment

Signature Required		Date	Stipend/Award Ranking (e.g., 2 of 5)	Award Percentage Recommended	Rank Stipend Recommended	Comments
Rating Officer			1 of 2		x	
Reviewing Officer			1 of 5		x	
Senior Operating Official			1 of 12		x	
Senior Resource Board			2 of 63		x	
Dir./Chmn, E Service			2 of 63		x	
OPPPM (Review Only)						
Other						
DCI/DDCI						
Approve					x	
Disapprove						

Received in OPPPM _____ Rank Stipend/Performance Award Received _____ \$ 10,000
 Stipend Received _____ Date Paid _____ Amount
 Type _____ Amount _____ Total Compensation \$ 60,112.50

Officer's Name & SIS Grade

DDQ
Organization of Assignment

6	\$ 50,112.50	Base Salary		Position Title		Career Service
Overall PAR						
Signature Required	Date	Stipend/Award Ranking (e.g., 2 of 5)	None	Award Percentage Recommended	Rank Stipend Recommended Merit Dist.	Comments
Rating Officer		1 of 2		15%		
Reviewing Officer		1 of 5		15%		
Senior Operating Official		3 of 16		11%		Agree that performance has been excellent but I rank this officer slightly below several others for the limited distribution of awards.
Senior Resource Board		5 of 63		15%		Compared with other SIS officers in this directorate, Ms. [redacted] performs in the upper brackets of those ranked.
Sp. Dir./Chmn, F Service		5 of 63		15%		
D/PPPM (Review Only)						
Other				15%		
DCI/DDCI						
Approve						
Disapprove						

Rank Stipend/Performance Award Received \$ 7,516.87
Date Paid
Amount

SIS RANK STIPEND AND PERFORMANCE AWARD PROPOSED RECOMMENDATION ACTION
Declassified in Part - Sanitized Copy Approved for Release 2013/08/12 : CIA-RDP95-00535R000300120001-0

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DDQ

Officer's Name & SIS Grade

Organization of Assignment

Overall PAR		Base Salary	Position Title		Career Service	
Signature Required	Date	Stipend/Award Ranking (e.g., 2 of 5)	None	Award Percentage Recommended	Rank Stipend Recommended	Comments
					Merit Dist.	
Rating Officer		1 of 1		11%		
Reviewing Officer		1 of 4		11%		
Senior Operating Official		3 of 14		7%		Performance was excellent but not quite as good as that of several other officers considered.
Senior Resource Board		10 of 63		7%		
Dir./Chmn, E Service		10 of 63		7%		
OPPPM (Review Only)						
Other						
DCI/DDCI						
Approve				7%		
Disapprove						

OPPPM USE:

Rank Stipend/Performance Award Received

\$ 3,352.23

Amount

Received in OPPPM

Date Paid

Stipend Received

Declassified in Part - Sanitized Copy Approved for Release 2013/08/12 : CIA-RDP95-00535R000300120001-0

Declassified in Part - Sanitized Copy Approved for Release 2013/08/12 : CIA-RDP95-00535R000300120001-0

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Organization of Assignment

Signature Required		Date	Base Salary		Award Percentage Recommended		Position Title		Career Service
Rating Officer			Stipend/Award Ranking (e.g., 2 of 5)	None			Rank Stipend Recommended		Comments
Reviewing Officer							Merit	Dist.	
Rating Officer			1 of 2		7%				
Reviewing Officer			2 of 5		7%				
Senior Operating Official			4 of 12	x					Very good performance, but due to the limited number of award allocations, I am unable to recommend at this time.
Senior Resource Board			Below first quarter of 63 considered.	x					Good performance, but not considered competitive with other candidates for stipends and awards.
Dir./Chmn, E Service				x					
OPPPM (Review Only)									
Other									
DCI/DDCI									
Approve				x					
Disapprove									

Received in OPPPM _____ Rank Stipend/Performance Award Received _____ \$ -0-
Stipend Received _____ Date Paid _____ Amount

STAT

Officer's Name & SIS Grade

DDQ

Organization of Assignment

6	\$49,499	Admin Officer		M	
Full PAR	Base Salary	Position Title		Career Service	
Signature Required	Date	Stipend/Award Ranking (e.g., 2 of 5)	Award Percentage Recommended	Rank Stipend Recommended	Comments
Rating Officer		1 of 1	15%		
Reviewing Officer		1 of 1	15%		
or Operating Official					Reviewing Officer is the Senior Operating Official.
Senior Resource Board		1 of 6	15%		
Dir./Chmn, E Service		1 of 6	15%		
OPPM (Review Only)					
Other			15%		M Service Senior Resources Board endorses this recommendation.
DCI/DDCI			11%		Award changed to 11% to comply with constraints on distribution of awards.
Approve					
Disapprove					

OPPM USE:

Received in OPPM

Rank Stipend/Performance Award Received

\$ 5,449.89

Stipend Received

\$

Date Paid

Amount

PRIORITIZATION OF RECOMMENDATIONS
FOR RANK STIPENDS AND PERFORMANCE AWARDS

DDQ Careerists

<u>Rank #</u>	<u>Names</u>	<u>SIS Level</u>	<u>Service Designation</u>	<u>Recommendation</u>	<u>STAT</u>
1		4	Q	Distinguished Officer Stipend	
*2		2	Q	Meritorious Officer Stipend	
3		1	Q	20% Award	
4		3	Q	18% Award	
*5		2	Q	15% Award	
6		3	Q	15% Award	
7		4	Q	11% Award	
8		2	Q	11% Award	
9		2	Q	11% Award	
*10		1	Q	7% Award	
11		4	Q	7% Award	
12		1	Q	7% Award	
13		2	Q	7% Award	
14		3	Q	7% Award	
15		3	Q	7% Award (if available)	
16		2	Q	7% Award (" ")	
17		2	Q	7% Award (" ")	

Fourteen of 63 careerists recommended and ranked for stipends or awards plus three additional for consideration if additional awards allocation becomes available.

* * * * *

Non-DDQ Careerists

<u>Rank #</u>	<u>Names</u>	<u>SIS Level</u>	<u>Service Designation</u>	<u>Recommendation</u>	<u>STAT</u>
1		2	M	15% Award	

Only 1 of 6 non-DDQ SIS officers recommended for stipends or awards.

DDQ

*Used as examples on sample recommendation forms.

THOMAS F. EAGLETON
MISSOURI

7-3-80

United States Senate

WASHINGTON, D.C. 20510

July 2, 1980

Mr. Alan K. Campbell
Director
Office of Personnel Management
1900 E Street
Washington, D.C. 20415

Dear Scotty:

As you probably have learned, the whole Senior Executive Service concept almost went "down the tubes" last night in the House-Senate Conference on the FY'80 Supplemental. It was the very last matter resolved in the early, early morning hours.


The House conferees were furious at the way NASA had prostituted the SES concept. We finally agreed on a 25% maximum without a cap.

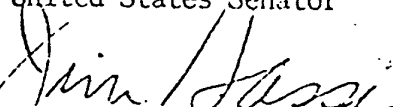
If several of the agencies come in at 25% or 24.9% or 24.8% or anything like that indicating a disregard for the SES concept as previously demonstrated by NASA, then I predict that you can "kiss SES goodbye."

For God's sake, see to it that good judgment is used in this matter.

Yours very truly,


THOMAS F. EAGLETON
United States Senator


WARREN G. MAGNUSON
United States Senator


JIM SASSER
United States Senator

CC: Dr. Robert A. Frosch


*Copy furnished to
OSD 7-14
7-15*

28 July 1980

MEMORANDUM FOR: See Distribution

STAT

FROM:


Chief, Legislation Division

SUBJECT: Senior Executive Bonuses/House Action on
the Fiscal Year 1981 Legislative Branch
Appropriation Bill

1. Attached is an excerpt from the Congressional Record which covers House action on Senior Executive bonuses for fiscal year 1981. During its consideration of the fiscal year 1981 Legislative Branch Appropriation Bill, the House adopted an amendment eliminating a provision containing a \$52,750 limit on total compensation resulting from Senior Executive Bonuses. The House substituted a provision limiting the number of Senior Executive Service and similar personnel system employees eligible for bonuses to no more than 25 percent of the number of Senior Executive Service or comparable personnel system positions in an agency. This is the same provision recently enacted for fiscal year 1980. The Senate is likely to go along with this 25 percent compromise for fiscal year 1981.

2. Note that the Office of Personnel Management has apparently promised intensive oversight of the SES system.

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Attachments

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Nor shall any such funds be used to authorize or to pay comparable cash awards under any personnel system established on or after October 13, 1978, similar to the Senior Executive Service for any office or position in grade GS-16, 17, or 18 of the General Schedule or in level IV or V of the Executive Schedule, or any comparable office or position in the executive (including the United States Postal Service or any Government corporation), judicial, or legislative branch or in the government of the District of Columbia at a rate in excess of that allowed under this subsection for a number of the Senior Executive Service.

(d) For purposes of administering any provision of law, rule, or regulation which provides retirement, life insurance, or other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 32, beginning with line 13, strike everything through line 6 on page 33 and insert the following:

"(c) None of the funds appropriated by this Act or any other Act shall be used to pay performance awards in fiscal year 1981 under 5 U.S.C. 5384 or any comparable personnel system established on or after October 13, 1978 to more than 25 percent of the number of Senior Executive Service or comparable personnel system positions in any such agency."

Mr. YATES. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Illinois reserves a point of order.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, this amendment is a carbon copy of the compromise language I proposed in the conference report for the recently enacted supplemental appropriation bill for 1980 having to do with the senior executive bonus item.

It would, in other words, insure a continuation of the same policy in 1981 as we have in 1980.

What the amendment would do is to reduce the number of senior executives eligible for bonus payments from 50 percent, as provided for in the authorizing law, to 25 percent, and would remove the cap on the amount of the bonus payment that we have in this bill as reported.

My amendment addresses perhaps the major concern regarding the program of bonus payments—that if 50 percent of the employees could receive bonuses, the bonus might be used as a straight pay increase mechanism rather than as a reward for outstanding performance. Making only 25 percent eligible would more effectively force the agency to take performance into account and reward only those most deserving of a bonus.

At the same time, this approach would allow the incentive element of the program to be fully tested. A cap at \$52,750, allowing bonuses of a few thousand dollars, really doesn't provide all that much of an incentive. We ought to give this incentive feature a chance to really be carried out in practice before undermining it with a cap of this sort. With all the

complaints we hear about bureaucratic bungling, surely we ought not to stand in the way of trying something new to improve the picture.

I urge adoption of the amendment.

Mr. BENJAMIN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield.

Mr. BENJAMIN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we have reviewed this amendment. This is precisely what was agreed to in the supplemental conference, which was accepted by both Houses.

We have also reviewed the procedure with Mr. CAMPBELL, the Director of the Office of Personnel Management, and we are satisfied that as a result of that conference there is going to be a tremendous amount of oversight on the SES system and we are grateful for that. This side accepts the gentleman's amendment.

Mr. MICHEL. Mr. Chairman, I thank the distinguished chairman for his comments.

Mr. YATES. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 33, after line 13, insert the following new section:

"Sec. 307. None of the funds appropriated or otherwise made available in this Act for the House of Representatives or for any other agency shall be used to provide legal representation for any employee without the specific authorization of the Congress."

Mr. YATES. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Illinois reserves a point of order.

Mr. BAUMAN. Mr. Chairman, I yield to the gentleman from Indiana.

Mr. BENJAMIN. Mr. Chairman, I thank the gentleman for yielding.

What the gentleman has incorporated into his amendment is language which has appeared in previous legislative branch appropriations bills.

This side accepts the amendment and thanks the gentleman for it.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman.

Mr. YATES. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 33, after line 13, add:

Sec. 309. Of the total budget authority provided in this Act, for payments not required by law, 2 per centum shall be withheld from obligation and expenditure; Provided, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by

law, the amount withheld shall not exceed 5 per centum.

(Mr. MILLER of Ohio asked and was given permission to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Chairman, I will not take the 5 minutes. The amendment is a 2-percent reduction, as we have had on many of the appropriation bills.

The total amount of the bill is \$973 million. The nonmandatory section is \$598 million. Two percent amounts to approximately \$11.8 million. That is what we are voting on.

We are now over \$900 billion in debt.

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We are now paying interest of approximately \$75 billion annually. If we are going to reduce the budget, we should reduce here in the House where we are paying expense for calendars and newsletters as we heard a little while ago. We should reduce this bill and bite the bullet. We are proposing that this bill be reduced \$11.8 million. I request a "yea" vote.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman.

Mr. GRASSLEY. Mr. Chairman, I want to rise in support of the gentleman's amendment. I want to compliment the gentleman for the amendment. I think it does show the proper leadership we in the legislative body ought to show.

I also want to inform the Members of the House that legislation was passed in the other body on June 2 that would do about what the gentleman wants to do, only five times as much. To the extent to which the other body adopted an amendment offered by the Senator from Virginia, amended by the Senator from West Virginia, it cut the appropriations for that body for the next fiscal year by 10 percent. That amendment was offered to the authorization bill on the Council on Wage and Price Stability.

Surely if the other body can find it in their wisdom to agree by a very wide margin to a reduction of 10 percent across the board, we ought to be able to find room for a 2-percent reduction in our appropriation.

Mr. MILLER of Ohio. I yield back the balance of my time.

Mr. BENJAMIN. Mr. Chairman, I move to strike the last word.

(Mr. BENJAMIN asked and was given permission to revise and extend his remarks.)

Mr. BENJAMIN. Mr. Chairman, normally, the Miller amendment to impose a percentage reduction on the legislative branch appropriation bill should be opposed. However, for reasons I shall explain, I believe that we should accept a 2-percent reduction.

We had a similar reduction applied to the 1979 bill. In that case—which was 5 percent—a little over \$22 million was withheld from obligation. We have estimated the prospective impact of this amendment—a 2-percent reduction—would be about \$9,400,000. Based on our experience of 2 years ago, most of the legislative branch obligations are mandated by law—thus the \$9 million that

In Reply, Refer To

Your Reference

July 21, 1980

MEMORANDUM TO HEADS OF DEPARTMENTS AND AGENCIES

The Office of Personnel Management, with the advice of other agencies, has prepared the following guidance in respect to awarding Senior Executive Service performance awards (bonuses). In part, this guidance reflects the appropriation act limitation restricting the proportion of SES members who may receive bonuses to no more than 25 percent of the number of SES positions in the agency. In addition, we are responding to strong Congressional concern that the 25 percent be viewed as a ceiling. We are therefore enunciating guidance on the number and distribution of awards which we strongly recommend agencies to follow. GAO in cooperation with OPM has been directed by the Congress to do a thorough study of bonus payments. Any agency which chooses to award bonuses in excess of the number or distribution recommended below must consult in advance with the Director of OPM.

1. Number of Awards

Agencies are limited in payment of bonuses to a maximum of 25 percent of SES positions. The Congress has made it clear that the 25 percent figure is to be a limit, not the norm. Agencies should generally limit bonuses to 20 percent of the eligible career employees. If the agency head feels a higher proportion is essential, he or she must consult with the Director of OPM.

2. Distribution of Awards

In deciding the amount of bonus to be paid, agencies with 100 or more career Senior Executives should not exceed the limitations shown below. These limits cannot be rigidly applied in small agencies, but should be considered as general guidelines.

- (a) Bonuses of 20% should be limited to no more than 5% of those receiving bonuses.
- (b) Bonuses of 17-20% should, in total, be limited to no more than 10% of those receiving bonuses.
- (c) Bonuses of 12-20% should, in total, be limited to no more than 25% of those receiving bonuses.

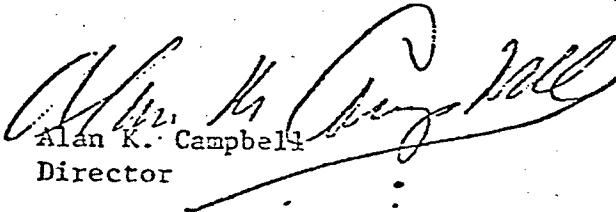
3. General Procedural Recommendations

(a) One area about which a number of legislators were concerned was the perception that members of Performance Review Boards would be taking care of themselves and their friends in the awarding of bonuses. We do not believe that this concern has substance, but to further add to the objectivity of the review process, an agency may wish to include on its PRB panel one or more members from another Federal agency. OPM will maintain a list of experienced career Senior Executives who could serve on PRB's across agency lines if the agency so requests. This same procedure might well be useful in the future in passing on proposed nominations for Meritorious and Distinguished Presidential Rank within an agency.

(b) Each agency should publish a notice in the Federal Register of the agency's schedule for awarding bonuses at least 14 days prior to the date on which the awards will be paid.

(c) Career Senior Executives are eligible for both bonus and rank awards. In general, agencies should avoid giving multiple awards to a single SES member in a year.

The SES system provides agency management with an unprecedented level of discretion. It is vital that this discretion be used responsibly to establish a sound foundation for the future.


Alan K. Campbell
Director